Hyundai lease mileage limits and overage charges explained

Understanding mileage allowances on a Hyundai lease

Leasing a Hyundai can be an attractive way to drive a new car without committing to a purchase. But one of the most important details in any lease contract is the mileage allowance. This is the maximum number of miles you can drive per year without incurring extra fees. If you go over that limit, you pay a per-mile charge at the end of the lease. Knowing how these limits work and what they cost can save you from an unwelcome surprise when you return the vehicle.

How mileage allowances work

When you lease a Hyundai, the finance company estimates how much the car will be worth at the end of the lease term. That estimate is called the residual value. A car with higher mileage is worth less, so the residual value is lower when you agree to a higher mileage allowance. The monthly payment is calculated based on the difference between the car's initial price and its residual value, plus interest (called the money factor) and fees like the acquisition fee. A higher mileage allowance reduces the residual value, which increases your monthly payment. A lower allowance keeps payments down but risks overage charges if you drive more than expected.

Typical lease mileage allowances are 10,000, 12,000, or 15,000 miles per year. Some leases offer even higher limits, but those come with higher monthly payments. The allowance is stated in the contract as a total for the full lease term. For example, a 36-month lease at 12,000 miles per year gives you 36,000 miles total. You can spread those miles across the months however you like, but going over the total at lease end triggers a charge.

What happens if you exceed the limit

If you return the car with more miles than the contract allows, you pay an overage charge for every mile above the limit. The rate is typically between $0.15 and $0.25 per mile, depending on the lease terms and the finance company. That may not sound like much, but it adds up quickly. Driving 5,000 miles over the limit at $0.20 per mile costs $1,000. That is a significant expense that can wipe out any savings you enjoyed from a lower monthly payment.

View the location on Google Maps

It is important to read your lease contract carefully. The overage charge is usually stated clearly, but some leases also include a provision for excess wear and tear, which is separate from mileage. A lease return inspection will assess both the mileage and the condition of the

vehicle. If the car has excessive wear, you may owe additional charges beyond the mileage overage.



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How to choose the right mileage allowance

Choosing the right mileage allowance starts with an honest estimate of how much you drive. Look at your annual mileage over the past few years. Consider your daily commute, weekend trips, road vacations, and any changes in your routine. If you typically drive 14,000 miles per year, a 12,000-mile allowance is likely too low. It is better to pay a bit more each month for a 15,000-mile allowance than to face a large overage bill at the end.

If you are unsure, you can purchase additional miles upfront when you sign the lease. This is almost always cheaper than paying the overage rate later. The cost to buy extra miles at the start is usually lower than the per-mile charge at lease end. Ask the dealer or finance manager for the price of adding miles before you sign. Some leases also allow you to buy extra miles during the lease term, though that option may not be available from every lender.

McFarland Hyundai is also on Facebook.

What affects mileage on a lease

Several factors influence how many miles you put on a car. Commute distance is the biggest one. If you drive 30 miles each way to work, that is 300 miles per week just for the job. Add errands, social trips, and family outings, and the total climbs quickly. People who work from home or have a short commute often choose a lower mileage allowance to keep payments low. Those with long drives or frequent road trips should opt for a higher allowance.

Another factor is the lease term length. A longer lease term gives you more total miles, but the annual allowance stays the same. For example, a 24-month lease at 12,000 miles per year gives you 24,000 miles total. A 36-month lease at the same annual rate gives you 36,000 miles. If you drive more in the first year than expected, a longer lease gives you more room to absorb the extra miles. But you also pay for the extra months, so the total cost may be higher.

How to avoid overage charges

The simplest way to avoid overage charges is to stay within your mileage allowance. Track your mileage regularly, especially in the last few months of the lease. If you see that you are on track to exceed the limit, you can adjust your driving habits. Carpool, take public transit, or use

a different vehicle for long trips. Some people also consider ending the lease early if they are already over the limit, but that usually involves a penalty as well.

Another option is to buy the car at the end of the lease. If you purchase the vehicle, you do not pay mileage overage charges. The purchase price is typically the residual value stated in the contract. You can finance the purchase or pay cash. This can be a good choice if you like the car and have put a lot of miles on it. The cost of buying may be less than the overage plus the cost of a new lease on another vehicle.



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You can also negotiate the overage charge when you return the car. Some dealers will waive or reduce the fee if you lease or buy another vehicle from them. This is not guaranteed, but it is worth asking about. If you are a repeat customer, the dealer may be more willing to work with you. McFarland Hyundai, for example, may be able to discuss your options when you return your leased vehicle. Always ask before assuming you have to pay the full amount.

What about excess wear and tear

Mileage is not the only thing that can cost you at lease end. The lease return inspection also checks for damage beyond normal wear. Dents, scratches, torn upholstery, cracked windshield, and missing parts can all result in charges. The inspection uses a standard guide, usually from a company like AutoVIN or a similar service. If the damage exceeds what the guide considers acceptable, you pay for repairs.

You can reduce the risk of wear-and-tear charges by keeping the car clean and addressing minor issues before the inspection. Small chips in the paint can be touched up. A cracked windshield can be replaced. If you have worn tires, consider replacing them before returning the car. The cost of a new tire is often less than the charge for excessive wear. Some leases also require you to have the car professionally detailed, but that is not always mandatory.

What happens if you return the car early

Returning a leased car before the end of the lease term is called an early termination. This usually triggers a penalty that can be substantial. The penalty is based on how much of the lease you have left and the difference between the car's current value and its projected residual value. Early termination is rarely a good financial move unless you have a serious reason, such as a job relocation or a medical issue. Some leases allow you to transfer the lease to another person, but that also involves a fee and requires the lender's approval.

If you are thinking about ending the lease early, talk to the dealer first. They may offer a pull-ahead program that lets you trade in the leased car for a new one without paying the early termination fee. These programs are not always available, but they can be a useful option if you want to get into a new vehicle. McFarland Hyundai can explain whether such programs are offered and what the terms are.



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Final things to consider

Leasing a Hyundai can be a smart choice if you want lower monthly payments and enjoy driving a new car every few years. But the mileage allowance is a key part of the deal. Underestimating your driving can cost you hundreds or thousands of dollars at lease end. Take the time to estimate your annual mileage honestly. If you are close to the limit, consider buying extra miles upfront or choosing a higher allowance. And when you return the car, make sure the inspection is fair and that you understand any charges before you pay.

If you have questions about mileage allowances or lease terms, the team at McFarland Hyundai can help. They are located at 177 Lafayette Rd, North Hampton, NH 03862, USA, and can be reached at +1 603-964-8771. They serve the Hampton, Portsmouth and Seacoast areas with new, used and certified pre-owned Hyundai vehicles, along with financing, service and parts support.